OPENTABLE INC
Form S-8
January 18, 2012

As filed with the Securities and Exchange Commission on January 18, 2012

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM S-8

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

OPENTABLE, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**94-3374049**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification Number)

799 Market Street, 4th Floor

San Francisco, California 94103

(Address of Principal Executive Offices including Zip Code)

OpenTable, Inc. 2009 Equity Incentive Award Plan

(Full Title of the Plan)

Matthew J. Roberts

Chief Executive Officer

OpenTable, Inc.

799 Market Street, 4th Floor

San Francisco, CA 94103

(415) 344-4200

Copy To:

Patrick A. Pohlen, Esq.
Latham & Watkins LLP
140 Scott Drive
Menlo Park, California 94025
(650) 328-4600

(Name and Address, Including Zip Code, and Telephone Number,
Including Area Code, of Agent for Service)

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definition of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. Check one:

Large Accelerated Filer x	Accelerated Filer o
Non-Accelerated Filer o (Do not check if a smaller reporting company)	Smaller Reporting Company o

CALCULATION OF REGISTRATION FEE

Title of Securities To Be Registered	**Amount to be Registered(1)**	**Proposed Maximum Offering Price Per Share**	**Proposed Maximum Aggregate Offering Price**	**Amount of Registration Fee**
Common Stock, $0.0001 Par Value	681,295(2)	$ 42.48(3)	$ 28,941,412	$ 3,317

(1) Pursuant to Rule 416(a) under the Securities Act of 1933, as amended (the Securities Act), this registration statement shall also cover any additional shares of the Registrant s common stock that become issuable under the OpenTable, Inc. 2009 Equity Incentive Award Plan (the 2009 Plan) by reason of any stock dividend, stock split, recapitalization or similar transaction effected without the Registrant s receipt of

consideration which would increase the number of outstanding shares of common stock.

(2) Represents 681,295 additional shares of common stock reserved for future issuance under the 2009 Plan.

(3) This estimate is made pursuant to Rule 457(c) and 457(h) of the Securities Act for purposes of calculating the registration fee. The Proposed Maximum Offering Price Per Share is $42.48, which is the average of the high and low prices for the Registrant s common stock as reported on The Nasdaq Global Market on January 10, 2012.

Proposed sale to take place as soon after the effective date of the registration statement as awards under the plan are exercised and/or vest.

REGISTRATION OF ADDITIONAL SECURITIES

OpenTable, Inc. (the Company) filed with the Securities and Exchange Commission the following Registration Statements on Form S-8 relating to shares of the Company s common stock, par value $0.0001 per share (the Common Stock), to be offered and sold under the 2009 Plan and the contents of such prior Registration Statements are incorporated by reference in this Registration Statement: (1) Registration Statement on Form S-8 filed June 2, 2009 (File No. 333-159672); (2) Registration Statement on Form S-8 filed January 12, 2010 (File No. 333-164308); and (3) Registration Statement on Form S-8 filed January 19, 2011 (File No. 333-171770). The Company is hereby registering an additional 681,295 shares issuable under the 2009 Plan, none of which have been issued as of the date of this Registration Statement.

Item 8. Exhibits.

See Index to Exhibits.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of San Francisco, State of California, on this 18th day of January, 2012.

OPENTABLE, INC.

By: /s/ Matthew J. Roberts
Matthew J. Roberts
Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below does hereby constitute and appoint Matthew J. Roberts and I. Duncan Robertson, and each of them, with full power of substitution and full power to act without the other, his or her true and lawful attorney-in-fact and agent to act for him or her in his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file this registration statement, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in order to effectuate the same as fully, to all intents and purposes, as they or he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the date indicated.

Signature	Title	Date
/s/ Matthew J. Roberts Matthew J. Roberts	Chief Executive Officer and Director (Principal Executive Officer)	January 18, 2012
/s/ I. Duncan Robertson I. Duncan Robertson	Chief Financial Officer (Principal Financial and Accounting Officer)	January 18, 2012
/s/ Thomas H. Layton Thomas H. Layton	Chairman of the Board of Directors	January 18, 2012
/s/ A. George Skip Battle A. George Skip Battle	Director	January 18, 2012

/s/ J. William Gurley J. William Gurley	Director	January 18, 2012
/s/ Jeffrey D. Jordan Jeffrey D. Jordan	Director	January 18, 2012
/s/ Danny Meyer Danny Meyer	Director	January 18, 2012
/s/ Michelle Peluso Michelle Peluso	Director	January 18, 2012
Paul Pressler	Director	

INDEX TO EXHIBITS

Exhibit Number	Description
4.1	Amended and Restated Certificate of Incorporation of OpenTable, Inc. (incorporated by reference from Exhibit 3.3 to the Registrant s registration statement on Form S-1, as amended, filed with the Commission on May 6, 2009 (File No. 333-157034))
4.2	Amended and Restated Bylaws of OpenTable, Inc. (incorporated by reference from Exhibit 3.5 to the Registrant s registration statement on Form S-1, as amended, filed with the Commission on May 6, 2009 (File No. 333-157034))
4.3	Form of OpenTable, Inc. s Common Stock Certificate (incorporated by reference from Exhibit 4.1 to the Registrant s registration statement on Form S-1, as amended, filed with the Commission on May 6, 2009 (File No. 333-157034))
4.4	OpenTable, Inc. 2009 Equity Incentive Award Plan (incorporated by reference from Exhibit 10.2 to the Registrant s registration statement on Form S-1, as amended, filed with the Commission on May 6, 2009 (File No. 333-157034))
4.5	2009 Equity Incentive Award Plan Form of Restricted Stock Unit Award Grant Notice and Restricted Stock Unit Award Agreement (incorporated by reference from Exhibit 10.1 to the Registrant s Quarterly Report on Form 10-Q, filed with the Commission on November 5, 2010 (File No. 001-34357))
4.6	2009 Equity Incentive Award Plan Form of Stock Option Grant Notice and Stock Option Agreement (incorporated by reference from Exhibit 10.2 to the Registrant s Quarterly Report on Form 10-Q, filed with the Commission on November 5, 2010 (File No. 001-34357))
5.1	Opinion and Consent of Latham & Watkins LLP
23.1	Consent of Latham & Watkins LLP (included in Exhibit 5.1)
23.2	Consent of Deloitte & Touche LLP, Independent Registered Public Accounting Firm
24.1	Power of Attorney (included in the signature page to this registration statement)

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"> **11** (13)

Deferred revenue

10 (12)

Net cash provided by operating activities from continuing operations

260 231

Cash flows from investing activities:

Capital expenditures, including capitalization of software costs

(42) (45)

Other investing activities

7 3

Net cash used in investing activities from continuing operations

(35) (42)

Cash flows from financing activities:

Repayments of long-term debt

(126) (101)

Issuance of common stock and treasury stock

21 10

Purchases of treasury stock

(71) (25)

Other financing activities

5 4

Net cash used in financing activities from continuing operations

(171) (112)

Net change in cash and cash equivalents from continuing operations

54 77

Net cash transactions transferred to discontinued operations

(1)

Beginning balance

363 230

Ending balance

$416 $307

Discontinued operations cash flow information:

Net cash (used in) provided by operating activities

$(3) $1

Net cash provided by investing activities	**2**	1
Net cash used in financing activities		(2)
Net change in cash and cash equivalents from discontinued operations	**(1)**	
Net cash transactions transferred from continuing operations	**1**	
Beginning balance - discontinued operations		38
Ending balance - discontinued operations	**$**	$38

See notes to condensed consolidated financial statements.

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FISERV, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Principles of Consolidation

The condensed consolidated financial statements for the three-month periods ended March 31, 2010 and 2009 are unaudited. In the opinion of management, all adjustments necessary for a fair presentation of the condensed consolidated financial statements have been included. Such adjustments consisted of normal recurring items. Interim results are not necessarily indicative of results for a full year. The condensed consolidated financial statements and accompanying notes are presented as permitted by Form 10-Q and do not contain certain information included in the annual consolidated financial statements and accompanying notes of Fiserv, Inc. (the Company). These interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and accompanying notes included in the Company s Annual Report on Form 10-K for the year ended December 31, 2009.

The condensed consolidated financial statements include the accounts of Fiserv, Inc. and all 100% owned subsidiaries. Investments in less than 50% owned affiliates in which the Company has significant influence are accounted for using the equity method of accounting. All intercompany transactions and balances have been eliminated in consolidation.

2. Fair Value Measurements

Assets and liabilities which are measured at fair value are classified in the following categories:

Level 1 At March 31, 2010 and December 31, 2009, the fair values of available-for-sale investments in asset-backed securities of $10 million and $11 million, respectively, were based on quoted prices in active markets for identical instruments as of the reporting date.

Level 2 At March 31, 2010 and December 31, 2009, the fair values of available-for-sale investments in asset-backed securities of $5 million and $6 million, respectively, and liabilities for interest rate hedge contracts of $93 million and $92 million, respectively, were determined from market based valuation models for which pricing inputs were either directly or indirectly observable as of the reporting date.

Level 3 At March 31, 2010 and December 31, 2009, the fair values of available-for-sale investments of $23 million were based on valuation models with unobservable pricing inputs and management estimates. Unrealized losses of $2 million were recorded in accumulated other comprehensive loss at March 31, 2010 and December 31, 2009.

The fair value of the Company s total debt was estimated using discounted cash flows based on the Company s current incremental borrowing rates or quoted prices in active markets and totaled $3.6 billion and $3.8 billion at March 31, 2010 and December 31, 2009, respectively.

3. Share-Based Compensation

The Company recognized $10 million and $11 million of share-based compensation during the first quarter of 2010 and 2009, respectively. The Company s annual grant of share-based awards generally occurs in the first quarter. During the first quarter of 2010, the Company granted 1.1 million stock options and 0.4 million restricted stock units at weighted-average estimated fair values of $17.48 and $47.73, respectively. During the first quarter of 2009, the Company granted 1.4 million stock options and 0.5 million restricted stock units at weighted-average estimated fair values of $12.40 and $32.78, respectively. During the first quarter of 2010 and 2009, stock options to purchase 0.8 million shares and 0.2 million shares, respectively, were exercised.

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4. Shares Used in Computing Net Income Per Share

Basic weighted-average outstanding shares used in calculating net income per share were 152.5 million and 155.5 million for the first quarter of 2010 and 2009, respectively. Diluted weighted-average outstanding shares used in calculating net income per share were 153.7 million and 156.0 million for the first quarter of 2010 and 2009, respectively, and included 1.2 million and 0.5 million common stock equivalents, respectively. For the first quarter of 2010 and 2009, stock options for 2.5 million shares and 6.4 million shares, respectively, were excluded from the calculation of diluted weighted-average outstanding shares because their impact was anti-dilutive.

5. Interest Rate Hedge Contracts

To manage exposure to fluctuations in interest rates, the Company maintains a series of interest rate swap agreements (Swaps) with total notional values of $1.2 billion at March 31, 2010 and December 31, 2009. The Swaps have been designated by the Company as cash flow hedges, effectively fix interest rates on floating rate term loan borrowings at a weighted-average rate of approximately 4.8% prior to financing spreads and related fees, and have expiration dates through September 2012. The fair values of the Swaps, as discussed in Note 2, were recorded in other long-term liabilities and in accumulated other comprehensive loss, net of income taxes, in the condensed consolidated balance sheets. The components of other comprehensive income (loss) pertaining to interest rate hedge contracts are presented in Note 6. In the first quarter of 2010 and 2009, interest expense recognized due to hedge ineffectiveness was not significant, and no amounts were excluded from the assessments of hedge effectiveness. Based on the amounts recorded in accumulated other comprehensive loss at March 31, 2010, the Company estimates that it will recognize approximately $40 million in interest expense related to interest rate hedge contracts during the next twelve months.

6. Comprehensive Income

Comprehensive income was as follows:

	Three Months Ended March 31,	
(In millions)	**2010**	**2009**
Net income	**$ 121**	$ 103
Other comprehensive income (loss), net of income taxes:		
Fair market value adjustments on investments	**1**	10
Fair market value adjustments on cash flow hedges	**(8)**	(3)
Reclassification adjustment for net realized losses on cash flow hedges included in interest expense	**8**	8
Foreign currency translation adjustments	**(2)**	(1)
Other comprehensive income (loss)	**(1)**	14
Comprehensive income	**$ 120**	$ 117

7. Business Segment Information

The Company s operations are comprised of the Payments and Industry Products (Payments) segment, the Financial Institution Services (Financial) segment, and the Corporate and Other segment. The Payments segment primarily provides electronic bill payment and settlement, electronic funds transfer, and debit processing products and services to meet the electronic transaction processing needs of the financial services industry. The businesses in this segment also provide card and print personalization services, Internet banking, investment account processing services for separately managed accounts, and fraud and risk management products and services. The Financial segment provides banks, thrifts and credit unions with account processing services, item processing services, loan origination and servicing products, cash management and consulting services, and other products and services that support numerous types of financial transactions. The Corporate and Other segment primarily consists of unallocated corporate overhead expenses, amortization of acquisition-related intangible assets and intercompany eliminations.

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(In millions)	Payments	Financial	Corporate and Other	Total
Three Months Ended March 31, 2010				
Processing and services revenue	**$ 397**	**$ 432**	**$ 2**	**$ 831**
Product revenue	**143**	**40**	**(6)**	**177**
Total revenue	**$ 540**	**$ 472**	**$ (4)**	**$ 1,008**
Operating income	**$ 148**	**$ 136**	**$ (46)**	**$ 238**
Three Months Ended March 31, 2009				
Processing and services revenue	$ 386	$ 445	$	$ 831
Product revenue	158	43	(9)	192
Total revenue	$ 544	$ 488	$ (9)	$ 1,023
Operating income	$ 155	$ 142	$ (72)	$ 225

8. Subsidiary Guarantors of Long-Term Debt

Certain of the Company s 100% owned domestic subsidiaries (Guarantor Subsidiaries) jointly and severally, and fully and unconditionally guarantee the Company s indebtedness under its revolving credit facility, senior term loan and senior notes. The following condensed consolidating financial information is presented on the equity method and reflects the summarized financial information for: (a) the Company; (b) the Guarantor Subsidiaries on a combined basis; and (c) the Company s non-guarantor subsidiaries on a combined basis.

CONDENSED CONSOLIDATING STATEMENT OF INCOME

THREE MONTHS ENDED MARCH 31, 2010

(In millions)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Revenue:					
Processing and services	$	$ 589	$ 260	$ (18)	$ 831
Product		156	30	(9)	177
Total revenue		745	290	(27)	1,008
Expenses:					
Cost of processing and services	(1)	322	161	(20)	462
Cost of product		120	22	(6)	136
Selling, general and administrative	18	109	45		172
Total expenses	17	551	228	(26)	770
Operating income (loss)	(17)	194	62	(1)	238
Interest (expense) income, net	14	(57)	(2)		(45)
Income (loss) from continuing operations before income taxes and income from investment in unconsolidated affiliate	(3)	137	60	(1)	193

Income tax (provision) benefit	2	(52)	(23)		(73)
Income from investment in unconsolidated affiliate, net of income taxes			3		3
Income (loss) from continuing operations	(1)	85	40	(1)	123
Equity in earnings of consolidated affiliates	124			(124)	
Loss from discontinued operations, net of income taxes	(2)				(2)
Net income	$ 121	$ 85	$ 40	$ (125)	$ 121

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CONDENSED CONSOLIDATING STATEMENT OF INCOME

THREE MONTHS ENDED MARCH 31, 2009

(In millions)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Revenue:					
Processing and services	$	$ 584	$ 264	$ (17)	$ 831
Product		171	27	(6)	192
Total revenue		755	291	(23)	1,023
Expenses:					
Cost of processing and services	2	311	158	(13)	458
Cost of product		130	26	(14)	142
Selling, general and administrative	25	115	58		198
Total expenses	27	556	242	(27)	798
Operating income (loss)	(27)	199	49	4	225
Interest (expense) income, net	10	(61)	(3)		(54)
Income (loss) from continuing operations before income taxes and income from investment in unconsolidated affiliate	(17)	138	46	4	171
Income tax (provision) benefit	6	(53)	(17)	(2)	(66)
Income from investment in unconsolidated affiliate, net of income taxes			1		1
Income (loss) from continuing operations	(11)	85	30	2	106
Equity in earnings of consolidated affiliates	114			(114)	
(Loss) income from discontinued operations, net of income taxes		(4)	1		(3)
Net income	$ 103	$ 81	$ 31	$ (112)	$ 103

CONDENSED CONSOLIDATING BALANCE SHEET

MARCH 31, 2010

(In millions)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
ASSETS					
Cash and cash equivalents	$ 116	$ 152	$ 148	$	$ 416
Trade accounts receivable, net	(2)	341	175		514
Prepaid expenses and other current assets	58	137	119		314
Total current assets	172	630	442		1,244

Investments in consolidated affiliates		5,163						(5,163)		
Goodwill and intangible assets, net		2		5,413		924				6,339
Other long-term assets		113		300		313				726
Total assets	$	5,450	$	6,343	$	1,679	$	(5,163)	$	8,309
LIABILITIES AND SHAREHOLDERS EQUITY										
Total current liabilities	$	229	$	439	$	322	$		$	990
Long-term debt		3,373		8						3,381
Due to (from) consolidated affiliates		(2,053)		1,961		92				
Other long-term liabilities		783		36		1				820
Total liabilities		2,332		2,444		415				5,191
Total shareholders equity		3,118		3,899		1,264		(5,163)		3,118
Total liabilities and shareholders equity	$	5,450	$	6,343	$	1,679	$	(5,163)	$	8,309

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CONDENSED CONSOLIDATING BALANCE SHEET

DECEMBER 31, 2009

(In millions)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
ASSETS					
Cash and cash equivalents	$ 55	$ 169	$ 139	$	$ 363
Trade accounts receivable, net	(2)	361	195		554
Prepaid expenses and other current assets	91	135	134		360
Total current assets	144	665	468		1,277
Investments in consolidated affiliates	3,154			(3,154)	
Goodwill and intangible assets, net	2	5,447	928		6,377
Other long-term assets	114	305	305		724
Total assets	$ 3,414	$ 6,417	$ 1,701	$ (3,154)	$ 8,378
LIABILITIES AND SHAREHOLDERS EQUITY					
Total current liabilities	$ 337	$ 488	$ 336	$	$ 1,161
Long-term debt	3,373	9			3,382
Due to (from) consolidated affiliates	(4,094)	3,973	121		
Other long-term liabilities	772	34	3		809
Total liabilities	388	4,504	460		5,352
Total shareholders equity	3,026	1,913	1,241	(3,154)	3,026
Total liabilities and shareholders equity	$ 3,414	$ 6,417	$ 1,701	$ (3,154)	$ 8,378

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

THREE MONTHS ENDED MARCH 31, 2010

(In millions)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Cash flows from operating activities:					
Net cash provided by operating activities from continuing operations	$ 76	$ 120	$ 63	$ 1	$ 260
Cash flows from investing activities:					
Capital expenditures, including capitalization of software costs		(34)	(8)		(42)
Other investing activities	150		7	(150)	7
Net cash (used in) provided by investing activities from continuing operations	150	(34)	(1)	(150)	(35)

Cash flows from financing activities:					
Repayments of long-term debt	(126)				(126)
Purchases of treasury stock	(71)				(71)
Other financing activities	33	(103)	(53)	149	26
Net cash used in financing activities from continuing operations	(164)	(103)	(53)	149	(171)
Net change in cash and cash equivalents from continuing operations	62	(17)	9		54
Net cash transactions transferred to discontinued operations	(1)				(1)
Beginning balance	55	169	139		363
Ending balance	$ 116	$ 152	$ 148	$	$ 416

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CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

THREE MONTHS ENDED MARCH 31, 2009

(In millions)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Cash flows from operating activities:					
Net cash provided by operating activities from continuing operations	$ 56	$ 97	$ 83	$ (5)	$ 231
Cash flows from investing activities:					
Capital expenditures, including capitalization of software costs	(1)	(38)	(6)		(45)
Other investing activities		(42)	(51)	96	3
Net cash used in investing activities from continuing operations	(1)	(80)	(57)	96	(42)
Cash flows from financing activities:					
Repayments of long-term debt	(100)		(1)		(101)
Purchases of treasury stock	(25)				(25)
Other financing activities	102	(1)	4	(91)	14
Net cash (used in) provided by financing activities from continuing operations	(23)	(1)	3	(91)	(112)
Net change in cash and cash equivalents from continuing operations	32	16	29		77
Net cash transactions transferred from (to) discontinued operations	10	(10)			
Beginning balance	32	104	94		230
Ending balance	$ 74	$ 110	$ 123	$	$ 307

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ITEM 2. MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
Forward-Looking Statements

This quarterly report contains forward-looking statements intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. Forward-looking statements include those that express a plan, belief, expectation, estimation, anticipation, intent, contingency, future development or similar expression, and can generally be identified as forward-looking because they include words such as believes, anticipates, expects, could, should or words of similar meaning. Statements that describe our objectives or g are also forward-looking statements. The forward-looking statements in this report involve significant risks and uncertainties, and a number of factors, both foreseen and unforeseen, that could cause actual results to differ materially from our current expectations. The factors that may affect our results include, among others: the impact on our business of the current state of the economy, including the risk of reduction in revenue resulting from decreased spending on the products and services we offer or from the elimination of existing or potential clients due to consolidation or financial failures in the financial services industry; changes in client demand for our products or services; pricing or other actions by competitors; the impact of our Fiserv 2.0 initiatives; our ability to comply with government regulations, including privacy regulations; and other factors identified in our Annual Report on Form 10-K for the year ended December 31, 2009 and in other documents that we file with the Securities and Exchange Commission. We urge you to consider these factors carefully in evaluating forward-looking statements and caution you not to place undue reliance on forward-looking statements, which speak only as of the date of this report. We undertake no obligation to update forward-looking statements to reflect events or circumstances occurring after the date of this report.

Overview

We provide integrated information management and electronic commerce systems and services, including transaction processing, electronic bill payment and presentment, business process outsourcing, document distribution services, and software and systems solutions. Our operations are primarily in the United States and are comprised of our Payments and Industry Products (Payments) segment, Financial Institution Services (Financial) segment, and Corporate and Other segment. The Payments segment primarily provides electronic bill payment and settlement, electronic funds transfer, and debit processing products and services to meet the electronic transaction processing needs of the financial services industry. Our businesses in this segment also provide card and print personalization services, Internet banking, investment account processing services for separately managed accounts, and fraud and risk management products and services. The Financial segment provides banks, thrifts and credit unions with account processing services, item processing services, loan origination and servicing products, cash management and consulting services, and other products and services that support numerous types of financial transactions. The Corporate and Other segment primarily consists of unallocated corporate overhead expenses, amortization of acquisition-related intangible assets and intercompany eliminations.

Management s discussion and analysis of financial condition and results of operations is provided as a supplement to our unaudited condensed consolidated financial statements and accompanying footnotes to help provide an understanding of our financial condition, the changes in our financial condition and our results of operations. Our discussion is organized as follows:

Results of operations. This section contains an analysis of our results of operations presented in the accompanying unaudited condensed consolidated statements of income by comparing the results for the quarter ended March 31, 2010 to the comparable period in 2009.

Liquidity and capital resources. This section provides an analysis of our cash flows and a discussion of our outstanding debt as of March 31, 2010.

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Results of Operations

The following table presents, for the periods indicated, certain amounts included in our condensed consolidated statements of income, the relative percentage that those amounts represent to revenue, and the change in those amounts from year to year. This information should be read together with the condensed consolidated financial statements and accompanying notes.

(In millions)	Three Months Ended March 31, 2010	2009	Percentage of Revenue [(1)] 2010	2009	Increase (Decrease) $	%
Revenue:						
Processing and services	$ 831	$ 831	82.4%	81.2%	$	
Product	177	192	17.6%	18.8%	(15)	(8)%
Total revenue	1,008	1,023	100.0%	100.0%	(15)	(1)%
Expenses:						
Cost of processing and services	462	458	55.6%	55.1%	4	1%
Cost of product	136	142	76.8%	74.0%	(6)	(4)%
Sub-total	598	600	59.3%	58.7%	(2)	
Selling, general and administrative	172	198	17.1%	19.4%	(26)	(13)%
Total expenses	770	798	76.4%	78.0%	(28)	(4)%
Operating income	238	225	23.7%	22.0%	13	6%
Interest expense, net	(45)	(54)	(4.5)%	(5.3)%	(9)	(17)%
Income from continuing operations before income taxes and income from investment in unconsolidated affiliate	$ 193	$ 171	19.1%	16.7%	$ 22	13%

(1) Each percentage of revenue is calculated as the relevant revenue, expense or income amount divided by total revenue, except for cost of processing and services and cost of product amounts which are divided by the related component of revenue.

Total Revenue

(In millions)	Three Months Ended March 31, Payments	Financial	Corporate and Other	Total
Total revenue:				
2010	$ 540	$ 472	$ (4)	$ 1,008
2009	544	488	(9)	1,023
Revenue growth (decline)	$ (4)	$ (16)	$ 5	$ (15)
Revenue growth (decline) percentage	(1)%	(3)%		(1)%

Total revenue decreased $15 million, or 1%, in the first quarter of 2010 compared to 2009. Revenue in our Payments segment decreased $4 million, or 1%, and revenue in our Financial segment decreased $16 million, or 3%. The decrease in Payments segment revenue was primarily due to lower product revenue in our output solutions business, including pass-through postage revenue, partially offset by revenue increases driven by new clients and increased transaction volumes from existing clients in our electronic payments businesses. The decrease in Financial segment revenue was primarily due to volume declines in our check processing business and lower specialty consulting and software license revenue, partially offset by increased revenue in our bank and credit union account processing businesses.

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Total Expenses

Total expenses decreased $28 million, or 4%, to $770 million in the first quarter of 2010 compared to 2009. Total expenses as a percentage of total revenue were 76.4% and 78.0% in the first quarter of 2010 and 2009, respectively. Cost of processing and services as a percentage of processing and services revenue in the first quarter of 2010 was 55.6%, which was relatively consistent compared to the first quarter of 2009. Cost of product as a percentage of product revenue increased from 74.0% in the first quarter of 2009 to 76.8% in 2010, due primarily to a decline in higher margin software license revenue which negatively impacted our operating margin. Selling, general and administrative expenses decreased $26 million, or 13%, in the first quarter of 2010 compared to 2009, due primarily to $15 million of employee severance expenses recognized in the first quarter of 2009 and a decline in merger and integration costs associated with our acquisition of CheckFree Corporation (CheckFree).

Operating Income and Operating Margin

	Three Months Ended March 31,			
(In millions)	**Payments**	**Financial**	**Corporate and Other**	**Total**
Operating income:				
2010	$ 148	$ 136	$ (46)	$ 238
2009	155	142	(72)	225
Operating income growth (decline)	$ (7)	$ (6)	$ 26	$ 13
Operating income growth (decline) percentage	(5)%	(4)%		6%
Operating margin:				
2010	27.5%	28.8%		23.7%
2009	28.5%	29.3%		22.0%
Operating margin growth (decline) [1]	(1.0%)	(0.5%)		1.7%

(1) Represents the percentage point improvement or decline in operating margin.

Total operating income increased $13 million, or 6%, in the first quarter of 2010 compared to 2009. Our operating margin was 23.7% and 22.0% in the first quarter of 2010 and 2009, respectively.

Operating income in our Payments segment decreased $7 million, or 5%, and operating margin decreased 100 basis points to 27.5% in the first quarter of 2010 compared to 2009. The decreases in operating income and operating margin resulted primarily from a decline in higher margin project revenue in our output solutions business and increased expenditures associated with the development of new products, partially offset by improved operating leverage in our electronic funds transfer businesses.

Operating income in our Financial segment decreased $6 million, or 4%, and operating margin decreased 50 basis points to 28.8% in the first quarter of 2010 compared to 2009. Operating income and operating margin were negatively impacted by decreases in higher margin software license and specialty consulting revenue and volume declines in our check processing business. These negative factors were partially offset by revenue growth and scale efficiencies in our bank and credit union account processing businesses.

The operating loss in our Corporate and Other segment decreased $26 million in the first quarter of 2010 compared to 2009, due primarily to $15 million of employee severance expenses recognized in the first quarter of 2009 and lower merger and integration costs associated with our acquisition of CheckFree.

Interest Expense, Net

Interest expense decreased $9 million, or 17%, in the first quarter of 2010 compared to 2009 primarily due to decreases in total outstanding borrowings and interest rates.

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Income Tax Provision

The income tax provision increased $7 million from $66 million in the first quarter of 2009 to $73 million in the first quarter of 2010. Our effective income tax rate was 37.9% and 38.3% in the first quarter of 2010 and 2009, respectively.

Net Income Per Share Diluted from Continuing Operations

Net income per share-diluted from continuing operations was $0.80 and $0.68 in the first quarter of 2010 and 2009, respectively. Net income per share-diluted from continuing operations in 2009 was negatively impacted by approximately $0.09 per share due to employee severance expenses and merger costs. The amortization of acquisition-related intangible assets reduced net income per share-diluted from continuing operations by $0.15 per share and $0.14 per share in the first quarter of 2010 and 2009, respectively.

Liquidity and Capital Resources

General

Our primary liquidity needs are: (i) to fund normal operating expenses; (ii) to meet the principal and interest requirements of our outstanding indebtedness; and (iii) to fund capital expenditures and operating lease payments. We believe these needs will be satisfied using cash flows generated by operations, our cash and cash equivalents at March 31, 2010 of $416 million and available borrowings under our revolving credit facility of $870 million at March 31, 2010.

(In millions)	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009	Increase (Decrease) $	Increase (Decrease) %
Income from continuing operations	$ 123	$ 106	$ 17	
Depreciation and amortization	84	81	3	
Share-based compensation	10	11	(1)	
Net changes in working capital and other	43	33	10	
Operating cash flow	$ 260	$ 231	$ 29	13%
Capital expenditures	$ 42	$ 45	$ (3)	(7)%

Our net cash provided by operating activities from continuing operations, or operating cash flow, was $260 million in the first quarter of 2010, an increase of 13% compared with $231 million in 2009. Our current policy is to use our operating cash flow primarily to repay debt and fund capital expenditures, acquisitions and share repurchases, rather than to pay dividends. Our capital expenditures decreased $3 million to $42 million in the first quarter of 2010 compared to 2009. Capital expenditures were 4% of our total revenue in the first quarter of 2010 and 2009.

Share Repurchases

In the first quarter of 2010, we purchased approximately 1.4 million shares of our common stock for $67 million and, as of March 31, 2010, we had approximately 5.8 million shares remaining under our existing authorizations. Shares repurchased are generally held for issuance in connection with our equity plans.

Indebtedness

(In millions)	March 31, 2010	December 31, 2009
Long-term debt (including current maturities)	$ 3,514	$ 3,641

In the first quarter of 2010, we used a portion of our operating cash flow to repay approximately $125 million of long-term debt, which reduced our outstanding debt, including current maturities, to approximately $3.5 billion at March 31, 2010. Our long-term debt currently consists primarily of $1.75 billion under our unsecured senior term loan facility and $1.75 billion of senior notes. The

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unsecured senior term loan bears interest at a variable rate based on LIBOR plus a specified margin or the bank s base rate and matures in November 2012. To manage exposure to fluctuations in interest rates, we maintain a series of interest rate swap agreements (Swaps) with total notional values of $1.2 billion. The Swaps effectively fix interest rates on floating rate term loan borrowings at a weighted-average rate of approximately 4.8%, prior to financing spreads and related fees, and have expiration dates through September 2012. The next scheduled principal payment of $130 million on our senior term loan is due in December 2010. The term loan facility contains various restrictions and covenants substantially similar to those contained in the revolving credit facility described below. In addition, we have $1.25 billion of 6.125% senior notes due in November 2012 and $500 million of 6.8% senior notes due in November 2017, which pay interest at the stated rate on May 20 and November 20 of each year.

We maintain a $900 million revolving credit facility with a syndicate of banks. Borrowings under this facility bear interest at a variable rate based on LIBOR plus a specified margin or the bank s base rate. The facility, as amended, contains various restrictions and covenants that require us, among other things, to limit our consolidated indebtedness to no more than three and one-half times consolidated net earnings before interest, taxes, depreciation and amortization and certain other adjustments and to maintain consolidated net earnings before interest, taxes, depreciation and amortization and certain other adjustments of at least three times consolidated interest expense. There are no significant commitment fees or compensating balance requirements. The facility expires on March 24, 2011. As of March 31, 2010, we had issued letters of credit totaling $30 million under this facility and our available borrowings were $870 million. During the first quarter of 2010, we were in compliance with all financial debt covenants in this and our other credit facilities, including those contained in our senior term loan and our senior notes.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The quantitative and qualitative disclosures about market risk required by this item are incorporated by reference to Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2009 and have not materially changed since December 31, 2009.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of disclosure controls and procedures

As required by Rule 13a-15(b) under the Securities Exchange Act of 1934 (the Exchange Act), our management, with the participation of our chief executive officer and chief financial officer, evaluated the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on this evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective as of March 31, 2010.

Changes in internal control over financial reporting

There was no change in our internal control over financial reporting that occurred during the quarter ended March 31, 2010 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

In the normal course of business, we and our subsidiaries are named as defendants in lawsuits in which claims are asserted against us. In the opinion of management, the liabilities, if any, which may ultimately result from such lawsuits are not expected to have a material adverse effect on our financial statements.

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ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The table below sets forth information with respect to purchases made by or on behalf of the company or any affiliated purchaser (as defined in Rule 10b-18(a)(3) under the Exchange Act) of shares of our common stock during the quarter ended March 31, 2010:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (1)
January 1-31, 2010	472,960	$ 47.74	472,960	1,693,352
February 1-28, 2010	675,000	46.57	675,000	6,018,352
March 1-31, 2010	260,800	49.25	260,800	5,757,552
Total	1,408,760		1,408,760	

(1) The purchases shown in the table above were made pursuant to a May 20, 2009 authorization of our board of directors to purchase up to 5 million shares of our common stock. On February 24, 2010, our board of directors authorized the repurchase of up to 5 million additional shares of our common stock. These repurchase authorizations do not expire.

ITEM 6. EXHIBITS

The exhibits listed in the accompanying exhibit index are filed as part of this Quarterly Report on Form 10-Q.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	FISERV, INC.	
Date: May 6, 2010	By:	/s/ Thomas J. Hirsch
		Thomas J. Hirsch
		Executive Vice President,
		Chief Financial Officer,
		Treasurer and Assistant Secretary

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Exhibit Index

Exhibit Number	Exhibit Description
10.1	Agreement with Peter J. Kight, dated March 31, 2010
31.1	Certification of the Chief Executive Officer, dated May 6, 2010
31.2	Certification of the Chief Financial Officer, dated May 6, 2010
32	Certification of the Chief Executive Officer and Chief Financial Officer, dated May 6, 2010
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

* Furnished with this quarterly report on Form 10-Q are the following documents formatted in XBRL (Extensible Business Reporting Language): (i) the Condensed Consolidated Statements of Income for the three months ended March 31, 2010 and 2009, (ii) the Condensed Consolidated Balance Sheets at March 31, 2010 and December 31, 2009, (iii) the Condensed Consolidated Statements of Cash Flows for the three months ended March 31, 2010 and 2009, and (iv) Notes to Condensed Consolidated Financial Statements.